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Legislative History – Montana Session Law

Chapter: 318 Session L: 2015
Bill Number: HB554

Checklist of Bill History

History and Final Status Sheet	☑
Introduced Bill	☑
Fiscal Note	☐
Third Reading Bill	☐
Final Version of Bill	☑

House	**Senate**
Committee: Business & Labor	Committee: Business, Labor, & Economic Affairs
Hearing Date(s): 2/20/2015	Hearing Date(s): 3/25/2015
Committee Report: 2/20/2015	Committee Report: 3/26/2015*

Conference Committee

Hearing Date(s):

Conference Committee Report:

Compiler Notes

Compiled by: SK Marshall

Date: 9/3/2025

Notes: Audio/Video recordings can be found here:
https://sg001-harmony.sliq.net/00309/Harmony/en

* There are no printed minutes for the Executive Action taken on 3/26/2015. However, the audio recording is available on the Legislative website above.

AN ACT REVISING LAWS APPLYING TO SECURITIES MULTILEVEL MARKETING COMPANIES; CREATING REQUIREMENTS FOR NOTICE OF ACTIVITY AND CONSENT TO SERVICE TO BE SUBMITTED TO THE SECURITIES COMMISSIONER; REVISING DEFINITIONS; AMENDING SECTIONS 30-10-301, 30-10-303, AND 30-10-324, MCA; AND REPEALING SECTION 30-10-216, MCA.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Notice of activity -- consent to service. (1) A multilevel marketing company shall file with the commissioner on forms prescribed by the commissioner:

(a) prior to obtaining a participant that is a resident of this state:

(i) a notice that the company intends to operate in this state; and

(ii) an irrevocable consent designating the commissioner as its agent for service of process for any alleged violation of 30-10-325; and

(b) following the initial filing under subsection (1)(a), an annual notice of the company's operations in this state.

(2) The forms in subsection (1) must include, at a minimum:

(a) the names, home or business addresses, dates of birth, and titles of the multilevel marketing company's officers, directors, and trustees;

(b) the multilevel marketing company's corporate name, state of domicile and state of incorporation, and headquarters mailing address, e-mail address, and telephone and telefax numbers; and

(c) a detailed description of the levels of distribution in the multilevel marketing company, the manner of compensating participants, and the compensation structure of the marketing plan.

(3) Compliance with this section does not confer on a multilevel marketing company any license or registration or signify that the state has sanctioned, approved, registered, or endorsed a multilevel marketing company or its sales plan or operation.

(4) A multilevel marketing company or any individual or entity affiliated with a multilevel marketing

company may not represent that the multilevel marketing company, individual, or entity is licensed, sanctioned, approved, registered, or endorsed in this state by virtue of compliance with 30-10-325 and this section.

(5) The requirements of subsections (1) and (2) do not apply to a direct selling association member.

Section 2. Section 30-10-301, MCA, is amended to read:

"30-10-301. Fraudulent and other prohibited practices. (1) It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly, in, into, or from this state, to:

(a) employ any device, scheme, or artifice to defraud;

(b) make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or

(c) engage in any act, practice, or course of business that operates or would operate as a fraud or deceit upon any person.

(2) (a) It is unlawful for any person who receives, directly or indirectly, any consideration from another person for advising the other person as to the value of securities or their purchase or sale, whether through the issuance of analysis or reports or otherwise:

(i) to employ any device, scheme, or artifice to defraud the other person;

(ii) to engage in any act, practice, or course of business that operates or would operate as a fraud or deceit upon the other person; or

(iii) without disclosing to the client in writing before the completion of the transaction the capacity in which the person is acting and obtaining the consent of the client to the transaction:

(A) acting as principal for the person's own account, to knowingly sell any security to or purchase any security from a client; or

(B) acting as agent for a person other than the client, to knowingly effect the sale or purchase of any security for the account of the client.

(b) The prohibitions of subsection (2)(a)(iii) do not apply to any transaction with a customer of a broker-dealer if the broker-dealer is not being compensated for rendering investment advice in relation to the transaction.

(3) In the solicitation of advisory clients, it is unlawful for a person to:

(a) make a false statement of a material fact; or

(b) omit a material fact necessary to make a statement not misleading in light of the circumstances under which it is made.

(4) Except as permitted by rule or order of the commissioner, it is unlawful for any investment adviser who is registered or required to be registered to enter into, extend, or renew any investment advisory contract unless it provides in writing that:

(a) the investment adviser may not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of the client;

(b) an assignment of the contract may not be made by the investment adviser without the consent of the other party to the contract; and

(c) the investment adviser, if a partnership, shall notify the other party to the contract of any change in the membership of the partnership within a reasonable time after the change.

(5) Subsection (4)(a) does not prohibit an investment advisory contract that provides for compensation based upon the total value of a fund averaged over a definite period or as of definite dates or taken as of a definite date. "Assignment", as used in subsection (4)(b), includes any direct or indirect transfer or hypothecation of an investment advisory contract by the assignor or of a controlling block of the assignor's outstanding voting securities by a security holder of the assignor; but if the investment adviser is a partnership, an assignment of an investment advisory contract is not considered to result from the death or withdrawal of a minority of the members of the investment adviser having only a minority interest in the business of the investment adviser or from the admission to the investment adviser of one or more members who, after admission, will be only a minority of the members and will have only a minority interest in the business.

(6) It is unlawful for an investment adviser to take or have custody of any securities or funds of any client if:

(a) the commissioner by rule prohibits custody; or

(b) in the absence of rule, the investment adviser fails to notify the commissioner that the investment adviser has or may have custody.

(7) It is unlawful for a multilevel ~~distribution~~ marketing company or a person who directly or indirectly controls a multilevel ~~distribution~~ marketing company, in the course of transacting business in, into, or from this state, to:

(a) employ any device, scheme, or artifice to defraud;

(b) make a false statement of a material fact;

(c) omit a material fact necessary to make a statement not misleading in light of the circumstances under which it is made; or

(d) engage in any other act, practice, or course of business that operates or would operate as a fraud or deceit upon any person."

Section 3. Section 30-10-303, MCA, is amended to read:

"30-10-303. Unlawful representation concerning registration or exemption. (1) The fact that an application for registration under 30-10-201(6) ~~or 30-10-216~~, a notice filing under 30-10-211 [or section 1], or a registration statement under 30-10-203, 30-10-204, or 30-10-205 has been filed or the fact that a person or security is effectively registered or a complete notice filing has been made does not constitute a finding by the commissioner that any document filed under parts 1 through 3 of this chapter is true, complete, and not misleading.

(2) The fact that an application for registration or a notice filing has been filed or a person or security is effectively registered or a complete notice filing has been made as provided in subsection (1) or the fact that an exemption or exception is available for a person, security, or transaction does not mean that the commissioner has passed in any way upon the merits of, qualifications of, or recommended or given approval to, any person, security, or transaction. It is unlawful to make or cause to be made to any prospective purchaser, customer, or client any representation inconsistent with this section."

Section 4. Section 30-10-324, MCA, is amended to read:

"30-10-324. Definitions. As used in ~~30-10-216,~~ 30-10-301, 30-10-324, ~~and~~ 30-10-325, and [section 1], the following definitions apply:

(1) ~~(a)~~(a) "Compensation" means the receipt of money, a thing of value, or a financial benefit.

~~(b) Compensation does not include:~~

~~(i) payments to a participant based upon the sale of goods or services by the participant to third persons when the goods or services are purchased for actual use or consumption; or~~

~~(ii) payments to a participant based upon the sale of goods or services to the participant that are used or consumed by the participant.~~

(b) Compensation does not include:

(i) payments to a participant based on the sale of goods or services by the participant to third persons when the goods or services are purchased for actual use or consumption; or

(ii) payments to a participant based on the sale of goods or services to the participant that are used or consumed by the participant.

(2) (a) "Consideration" means the payment of money, the purchase of goods or services, or the purchase of intangible property.

(b) Consideration does not include:

(i) the purchase of goods or services furnished at cost that are

~~are used in making sales and~~ used in making sales and that are not for resale; or

~~that are not for resale; or~~

(ii) a participant's time and effort expended in the pursuit of sales or in recruiting activities.

(3) "Direct selling association" means the nonprofit entity incorporated in the state of Delaware and recognized by the department as the direct selling association.

(4) "Multilevel ~~distribution~~ marketing company" means a person that:

(a) sells, distributes, or supplies goods or services through independent agents, contractors, or distributors:

(i) at different levels of distribution; or

(ii) pursuant to a formula for compensating participants in whole or in part based on purchases of sales by or recruitment of other participants;

(b) ~~may~~ permits participants to recruit other participants in the company; and

(c) ~~is eligible~~ provides for commissions, cross-commissions, override commissions, bonuses, refunds, dividends, or other consideration that is or may be paid as a result of the sale of goods or services or the recruitment of or the performance or actions of other participants.

(5) "Participant" means a person involved in a sales plan or operation.

(6) "Person" means an individual, corporation, partnership, limited liability company, or other business entity.

(7) (a) "Pyramid promotional scheme" means a sales plan or operation in which a participant gives consideration for the opportunity to receive compensation derived primarily from obtaining the participation of

other persons in the sales plan or operation rather than from the sale of goods or services by the participant or the other persons induced to participate in the sales plan or operation by the participant.

(b) A pyramid promotional scheme includes a Ponzi scheme, in which a person makes payments to investors from money obtained from later investors, rather than from any profits or other income of an underlying or purported underlying business venture.

(c) A pyramid promotional scheme does not include a sales plan or operation that:

(i) subject to the provisions of subsection ~~(7)(c)(v)~~ (7)(c)(iv), provides compensation to a participant based primarily ~~upon~~ on the sale of goods or services by the participant, including goods or services used or consumed by the participant or other participants, and not primarily for obtaining the participation of other persons in the sales plan or operation ~~and that provides compensation to the participant based upon the sale of goods or services by persons whose participation in the sales plan or operation has been obtained by the participant~~;

(ii) does not require a participant to purchase goods or services in an amount that unreasonably exceeds an amount that can be expected to be resold or consumed within a reasonable period of time;

~~(iii) is authorized to use a federally registered trademark or servicemark that identifies the company promoting the sales plan or operation, the goods or services sold, or the sales plan or operation;~~

~~(iv)~~(iii) (A) provides each person joining the sales plan or operation with a written agreement containing or a written statement describing the material terms of participating in the sales plan or operation;

(B) allows a person at least 15 days to cancel the person's participation in the sales plan or operation; and

(C) provides that if the person cancels participation within the time provided and returns any items given to the person to assist in marketing goods or services under the plan, the person is entitled to a refund of any consideration given to participate in the sales plan or operation; and

~~(v)~~(iv) (A) ~~upon~~ on the request of a participant deciding to terminate participation in the sales plan or operation, provides for the repurchase, at not less than 90% of the amount paid by the participant, of any currently marketable goods or services sold to the participant within 12 months of the request that have not been resold or consumed by the participant; and

(B) if disclosed to the participant at the time of purchase, provides that goods or services are not considered currently marketable if the goods have been consumed or the services rendered or if the goods or services are seasonal, discontinued, or special promotional items. Sales plan or operation promotional materials,

sales aids, and sales kits are subject to the provisions of this subsection (7)(c)(v) if they are a required purchase for the participant or if the participant has received or may receive a financial benefit from their purchase.

(8) "Transacting business" means to directly or indirectly:

(a) offer, sell, distribute, or supply goods or services through independent agents, contractors, or distributors at different levels of distribution; or

(b) recruit or attempt to recruit participants in a multilevel distribution company."

Section 5. Repealer. The following section of the Montana Code Annotated is repealed:

30-10-216. Registration requirements for multilevel distribution companies.

Section 6. Codification instruction. [Section 1] is intended to be codified as an integral part of Title 30, chapter 10, part 3, and the provisions of Title 30, chapter 10, part 3, apply to [section 1].

Section 7. Saving clause. [This act] does not affect rights and duties that matured, penalties that were incurred, or proceedings that were begun before [the effective date of this act].

- END -

I hereby certify that the within bill,

HB 0554, originated in the House.

Chief Clerk of the House

Speaker of the House

Signed this _____ day

of _____, 2015.

President of the Senate

Signed this _____ day

of _____, 2015.

HOUSE BILL NO. 554

INTRODUCED BY G. PIERSON

AN ACT REVISING LAWS APPLYING TO SECURITIES MULTILEVEL MARKETING COMPANIES; CREATING REQUIREMENTS FOR NOTICE OF ACTIVITY AND CONSENT TO SERVICE TO BE SUBMITTED TO THE SECURITIES COMMISSIONER; REVISING DEFINITIONS; AMENDING SECTIONS 30-10-301, 30-10-303, AND 30-10-324, MCA; AND REPEALING SECTION 30-10-216, MCA.

Exported Data

Date	Action	Committee	Votes (Yes)	Votes (No)	Media
04/27/15	Chapter Number Assigned				
04/27/15	(H) Signed by Governor				
04/17/15	(H) Transmitted to Governor				
04/17/15	(S) Signed by President				
04/16/15	(H) Signed by Speaker				
04/16/15	(H) Returned from Enrolling				
04/16/15	(C) Printed - Enrolled Version Available				
04/14/15	(H) Sent to Enrolling				
04/14/15	(H) 3rd Reading Passed as Amended by Senate		68	32	
04/14/15	(H) Scheduled for 3rd Reading				
04/13/15	(H) 2nd Reading Senate Amendments Concurred		76	24	
04/13/15	(H) Scheduled for 2nd Reading				
04/11/15	(H) Scheduled for 2nd Reading				
03/31/15	(S) Returned to House with Amendments				
03/30/15	(S) 3rd Reading Concurred		45	4	
03/30/15	(S) Scheduled for 3rd Reading				
03/28/15	(S) 2nd Reading Concurred		44	2	
03/28/15	(S) Scheduled for 2nd Reading				
03/26/15	(C) Printed - New Version Available				
03/26/15	(S) Committee Report--Bill Concurred as Amended	(S) Business, Labor, and Economic Affairs			
03/26/15	(S) Committee Executive Action--Bill Concurred as Amended	(S) Business, Labor, and Economic Affairs	9	0	
03/25/15	(S) Hearing	(S) Business, Labor, and Economic Affairs			
03/20/15	(S) Hearing Canceled	(S) Business, Labor, and Economic Affairs			
03/06/15	(S) Referred to Committee	(S) Business, Labor, and Economic Affairs			
03/06/15	(S) First Reading				
02/27/15	(H) Transmitted to Senate				
02/27/15	(H) 3rd Reading Passed		65	32	
02/27/15	(H) Scheduled for 3rd Reading				
02/26/15	(H) 2nd Reading Passed		70	30	
02/26/15	(H) Scheduled for 2nd Reading				

Date	Action	Committee	Votes (Yes)	Votes (No)	Media
02/20/15	(C) Printed - New Version Available				
02/20/15	(H) Committee Report--Bill Passed as Amended	(H) Business and Labor			
02/20/15	(H) Committee Executive Action--Bill Passed as Amended	(H) Business and Labor	19	0	
02/20/15	(H) Hearing	(H) Business and Labor			
02/17/15	(C) Introduced Bill Text Available Electronically				
02/17/15	(H) First Reading				
02/17/15	(H) Referred to Committee	(H) Business and Labor			
02/17/15	(H) Introduced				
02/17/15	(C) Draft Delivered to Requester				
02/16/15	(C) Draft Ready for Delivery				
02/16/15	(C) Draft in Assembly/Executive Director Review				
02/16/15	(C) Draft in Final Drafter Review				
02/16/15	(C) Draft in Input/Proofing				
02/16/15	(C) Draft in Legal Review				
02/16/15	(C) Draft Back for Redo				
02/16/15	(C) Draft in Final Drafter Review				
02/16/15	(C) Bill Draft Text Available Electronically				
02/16/15	(C) Draft in Input/Proofing				
02/14/15	(C) Draft to Drafter - Edit Review [SMH]				
02/14/15	(C) Draft in Legal Review				
02/14/15	(C) Draft to Requester for Review				
01/28/15	(C) Draft Taken Off Hold				
12/09/14	(C) Draft On Hold				
11/05/14	(C) Draft Request Received				

AN ACT REVISING LAWS APPLYING TO SECURITIES MULTILEVEL MARKETING COMPANIES; CREATING REQUIREMENTS FOR NOTICE OF ACTIVITY AND CONSENT TO SERVICE TO BE SUBMITTED TO THE SECURITIES COMMISSIONER; REVISING DEFINITIONS; AMENDING SECTIONS 30-10-301, 30-10-303, AND 30-10-324, MCA; AND REPEALING SECTION 30-10-216, MCA.

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(ii) an irrevocable consent designating the commissioner as its agent for service of process for any alleged violation of 30-10-325; and

(b) following the initial filing under subsection (1)(a), an annual notice of the company's operations in this state.

(2) The forms in subsection (1) must include, at a minimum:

(a) the names, home or business addresses, dates of birth, and titles of the multilevel marketing company's officers, directors, and trustees;

(b) the multilevel marketing company's corporate name, state of domicile and state of incorporation, and headquarters mailing address, e-mail address, and telephone and telefax numbers; and

(c) a detailed description of the levels of distribution in the multilevel marketing company, the manner of compensating participants, and the compensation structure of the marketing plan.

(3) Compliance with this section does not confer on a multilevel marketing company any license or registration or signify that the state has sanctioned, approved, registered, or endorsed a multilevel marketing company or its sales plan or operation.

(4) A multilevel marketing company or any individual or entity affiliated with a multilevel marketing

company may not represent that the multilevel marketing company, individual, or entity is licensed, sanctioned, approved, registered, or endorsed in this state by virtue of compliance with 30-10-325 and this section.

(5) The requirements of subsections (1) and (2) do not apply to a direct selling association member.

Section 2. Section 30-10-301, MCA, is amended to read:

"30-10-301. Fraudulent and other prohibited practices. (1) It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly, in, into, or from this state, to:

(a) employ any device, scheme, or artifice to defraud;

(b) make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or

(c) engage in any act, practice, or course of business that operates or would operate as a fraud or deceit upon any person.

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(i) to employ any device, scheme, or artifice to defraud the other person;

(ii) to engage in any act, practice, or course of business that operates or would operate as a fraud or deceit upon the other person; or

(iii) without disclosing to the client in writing before the completion of the transaction the capacity in which the person is acting and obtaining the consent of the client to the transaction:

(A) acting as principal for the person's own account, to knowingly sell any security to or purchase any security from a client; or

(B) acting as agent for a person other than the client, to knowingly effect the sale or purchase of any security for the account of the client.

(b) The prohibitions of subsection (2)(a)(iii) do not apply to any transaction with a customer of a broker-dealer if the broker-dealer is not being compensated for rendering investment advice in relation to the transaction.

(3) In the solicitation of advisory clients, it is unlawful for a person to:

(a) make a false statement of a material fact; or

(b) omit a material fact necessary to make a statement not misleading in light of the circumstances under which it is made.

(4) Except as permitted by rule or order of the commissioner, it is unlawful for any investment adviser who is registered or required to be registered to enter into, extend, or renew any investment advisory contract unless it provides in writing that:

(a) the investment adviser may not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of the client;

(b) an assignment of the contract may not be made by the investment adviser without the consent of the other party to the contract; and

(c) the investment adviser, if a partnership, shall notify the other party to the contract of any change in the membership of the partnership within a reasonable time after the change.

(5) Subsection (4)(a) does not prohibit an investment advisory contract that provides for compensation based upon the total value of a fund averaged over a definite period or as of definite dates or taken as of a definite date. "Assignment", as used in subsection (4)(b), includes any direct or indirect transfer or hypothecation of an investment advisory contract by the assignor or of a controlling block of the assignor's outstanding voting securities by a security holder of the assignor; but if the investment adviser is a partnership, an assignment of an investment advisory contract is not considered to result from the death or withdrawal of a minority of the members of the investment adviser having only a minority interest in the business of the investment adviser or from the admission to the investment adviser of one or more members who, after admission, will be only a minority of the members and will have only a minority interest in the business.

(6) It is unlawful for an investment adviser to take or have custody of any securities or funds of any client if:

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(c) omit a material fact necessary to make a statement not misleading in light of the circumstances under which it is made; or

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"30-10-303. Unlawful representation concerning registration or exemption. (1) The fact that an application for registration under 30-10-201(6) ~~or 30-10-216~~, a notice filing under 30-10-211 [or section 1], or a registration statement under 30-10-203, 30-10-204, or 30-10-205 has been filed or the fact that a person or security is effectively registered or a complete notice filing has been made does not constitute a finding by the commissioner that any document filed under parts 1 through 3 of this chapter is true, complete, and not misleading.

(2) The fact that an application for registration or a notice filing has been filed or a person or security is effectively registered or a complete notice filing has been made as provided in subsection (1) or the fact that an exemption or exception is available for a person, security, or transaction does not mean that the commissioner has passed in any way upon the merits of, qualifications of, or recommended or given approval to, any person, security, or transaction. It is unlawful to make or cause to be made to any prospective purchaser, customer, or client any representation inconsistent with this section."

Section 4. Section 30-10-324, MCA, is amended to read:

"30-10-324. Definitions. As used in ~~30-10-216,~~ 30-10-301, 30-10-324, ~~and~~ 30-10-325, and [section 1], the following definitions apply:

(1) ~~(a)~~(a) "Compensation" means the receipt of money, a thing of value, or a financial benefit.

~~(b) Compensation does not include:~~

~~(i) payments to a participant based upon the sale of goods or services by the participant to third persons when the goods or services are purchased for actual use or consumption; or~~

~~(ii) payments to a participant based upon the sale of goods or services to the participant that are used or consumed by the participant.~~

(b) Compensation does not include:

(i) payments to a participant based on the sale of goods or services by the participant to third persons when the goods or services are purchased for actual use or consumption; or

(ii) payments to a participant based on the sale of goods or services to the participant that are used or consumed by the participant.

(2) (a) "Consideration" means the payment of money, the purchase of goods or services, or the purchase of intangible property.

(b) Consideration does not include:

(i) the purchase of goods or services furnished at cost that are

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~~that are not for resale; or~~

(ii) a participant's time and effort expended in the pursuit of sales or in recruiting activities.

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(4) "Multilevel ~~distribution~~ marketing company" means a person that:

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(i) at different levels of distribution; or

(ii) pursuant to a formula for compensating participants in whole or in part based on purchases of sales by or recruitment of other participants;

(b) ~~may~~ permits participants to recruit other participants in the company; and

(c) ~~is eligible~~ provides for commissions, cross-commissions, override commissions, bonuses, refunds, dividends, or other consideration that is or may be paid as a result of the sale of goods or services or the recruitment of or the performance or actions of other participants.

(5) "Participant" means a person involved in a sales plan or operation.

(6) "Person" means an individual, corporation, partnership, limited liability company, or other business entity.

(7) (a) "Pyramid promotional scheme" means a sales plan or operation in which a participant gives consideration for the opportunity to receive compensation derived primarily from obtaining the participation of

other persons in the sales plan or operation rather than from the sale of goods or services by the participant or the other persons induced to participate in the sales plan or operation by the participant.

(b) A pyramid promotional scheme includes a Ponzi scheme, in which a person makes payments to investors from money obtained from later investors, rather than from any profits or other income of an underlying or purported underlying business venture.

(c) A pyramid promotional scheme does not include a sales plan or operation that:

(i) subject to the provisions of subsection ~~(7)(c)(v)~~ (7)(c)(iv), provides compensation to a participant based primarily ~~upon~~ on the sale of goods or services by the participant, including goods or services used or consumed by the participant or other participants, and not primarily for obtaining the participation of other persons in the sales plan or operation ~~and that provides compensation to the participant based upon the sale of goods or services by persons whose participation in the sales plan or operation has been obtained by the participant~~;

(ii) does not require a participant to purchase goods or services in an amount that unreasonably exceeds an amount that can be expected to be resold or consumed within a reasonable period of time;

~~(iii) is authorized to use a federally registered trademark or servicemark that identifies the company promoting the sales plan or operation, the goods or services sold, or the sales plan or operation;~~

~~(iv)~~(iii) (A) provides each person joining the sales plan or operation with a written agreement containing or a written statement describing the material terms of participating in the sales plan or operation;

(B) allows a person at least 15 days to cancel the person's participation in the sales plan or operation; and

(C) provides that if the person cancels participation within the time provided and returns any items given to the person to assist in marketing goods or services under the plan, the person is entitled to a refund of any consideration given to participate in the sales plan or operation; and

~~(v)~~(iv) (A) ~~upon~~ on the request of a participant deciding to terminate participation in the sales plan or operation, provides for the repurchase, at not less than 90% of the amount paid by the participant, of any currently marketable goods or services sold to the participant within 12 months of the request that have not been resold or consumed by the participant; and

(B) if disclosed to the participant at the time of purchase, provides that goods or services are not considered currently marketable if the goods have been consumed or the services rendered or if the goods or services are seasonal, discontinued, or special promotional items. Sales plan or operation promotional materials,

sales aids, and sales kits are subject to the provisions of this subsection (7)(c)(v) if they are a required purchase for the participant or if the participant has received or may receive a financial benefit from their purchase.

(8) "Transacting business" means to directly or indirectly:

(a) offer, sell, distribute, or supply goods or services through independent agents, contractors, or distributors at different levels of distribution; or

(b) recruit or attempt to recruit participants in a multilevel distribution company."

Section 5. Repealer. The following section of the Montana Code Annotated is repealed:

30-10-216. Registration requirements for multilevel distribution companies.

Section 6. Codification instruction. [Section 1] is intended to be codified as an integral part of Title 30, chapter 10, part 3, and the provisions of Title 30, chapter 10, part 3, apply to [section 1].

Section 7. Saving clause. [This act] does not affect rights and duties that matured, penalties that were incurred, or proceedings that were begun before [the effective date of this act].

- END -

I hereby certify that the within bill,

HB 0554, originated in the House.

Chief Clerk of the House

Speaker of the House

Signed this _____ day

of _____, 2015.

President of the Senate

Signed this _____ day

of _____, 2015.

HOUSE BILL NO. 554

INTRODUCED BY G. PIERSON

AN ACT REVISING LAWS APPLYING TO SECURITIES MULTILEVEL MARKETING COMPANIES; CREATING REQUIREMENTS FOR NOTICE OF ACTIVITY AND CONSENT TO SERVICE TO BE SUBMITTED TO THE SECURITIES COMMISSIONER; REVISING DEFINITIONS; AMENDING SECTIONS 30-10-301, 30-10-303, AND 30-10-324, MCA; AND REPEALING SECTION 30-10-216, MCA.

HOUSE BILL NO. 554

INTRODUCED BY G. PIERSON

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS APPLYING TO SECURITIES MULTILEVEL MARKETING COMPANIES; CREATING REQUIREMENTS FOR NOTICE OF ACTIVITY AND CONSENT TO SERVICE TO BE SUBMITTED TO THE SECURITIES COMMISSIONER; REVISING DEFINITIONS; AMENDING SECTIONS 30-10-301, 30-10-303, AND 30-10-324, MCA; AND REPEALING SECTION 30-10-216, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Notice of activity -- consent to service.** (1) A multilevel marketing company shall file with the commissioner on forms prescribed by the commissioner:

(a) prior to obtaining a participant that is a resident of this state:

(i) a notice that the company intends to operate in this state; and

(ii) an irrevocable consent designating the commissioner as its agent for service of process for any alleged violation of 30-10-325; and

(b) following the initial filing under subsection (1)(a), an annual notice of the company's operations in this state.

(2) The forms in subsection (1) must include, at a minimum:

(a) the names, home or business addresses, dates of birth, and titles of the multilevel marketing company's officers, directors, and trustees;

(b) the multilevel marketing company's corporate name, state of domicile and state of incorporation, and headquarters mailing address, e-mail address, and telephone and telefax numbers; and

(c) a detailed description of the levels of distribution in the multilevel marketing company, the manner of compensating participants, and the compensation structure of the marketing plan.

(3) Compliance with this ~~chapter~~ SECTION does not confer on a multilevel marketing company any license or registration or signify that the state has sanctioned, approved, REGISTERED, or endorsed a multilevel marketing company or its sales plan or operation.

(4) A multilevel marketing company or any individual or entity affiliated with a multilevel marketing company may not represent that the multilevel marketing company, individual, or entity is licensed, sanctioned,

approved, REGISTERED, or endorsed in this state by virtue of compliance with 30-10-325 and this section.

(5) THE REQUIREMENTS OF SUBSECTIONS (1) AND (2) DO NOT APPLY TO A DIRECT SELLING ASSOCIATION MEMBER.

Section 2. Section 30-10-301, MCA, is amended to read:

"30-10-301. Fraudulent and other prohibited practices. (1) It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly, in, into, or from this state, to:

(a) employ any device, scheme, or artifice to defraud;

(b) make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or

(c) engage in any act, practice, or course of business that operates or would operate as a fraud or deceit upon any person.

(2) (a) It is unlawful for any person who receives, directly or indirectly, any consideration from another person for advising the other person as to the value of securities or their purchase or sale, whether through the issuance of analysis or reports or otherwise:

(i) to employ any device, scheme, or artifice to defraud the other person;

(ii) to engage in any act, practice, or course of business that operates or would operate as a fraud or deceit upon the other person; or

(iii) without disclosing to the client in writing before the completion of the transaction the capacity in which the person is acting and obtaining the consent of the client to the transaction:

(A) acting as principal for the person's own account, to knowingly sell any security to or purchase any security from a client; or

(B) acting as agent for a person other than the client, to knowingly effect the sale or purchase of any security for the account of the client.

(b) The prohibitions of subsection (2)(a)(iii) do not apply to any transaction with a customer of a broker-dealer if the broker-dealer is not being compensated for rendering investment advice in relation to the transaction.

(3) In the solicitation of advisory clients, it is unlawful for a person to:

(a) make a false statement of a material fact; or

(b) omit a material fact necessary to make a statement not misleading in light of the circumstances under

which it is made.

(4) Except as permitted by rule or order of the commissioner, it is unlawful for any investment adviser who is registered or required to be registered to enter into, extend, or renew any investment advisory contract unless it provides in writing that:

(a) the investment adviser may not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of the client;

(b) an assignment of the contract may not be made by the investment adviser without the consent of the other party to the contract; and

(c) the investment adviser, if a partnership, shall notify the other party to the contract of any change in the membership of the partnership within a reasonable time after the change.

(5) Subsection (4)(a) does not prohibit an investment advisory contract that provides for compensation based upon the total value of a fund averaged over a definite period or as of definite dates or taken as of a definite date. "Assignment", as used in subsection (4)(b), includes any direct or indirect transfer or hypothecation of an investment advisory contract by the assignor or of a controlling block of the assignor's outstanding voting securities by a security holder of the assignor; but if the investment adviser is a partnership, an assignment of an investment advisory contract is not considered to result from the death or withdrawal of a minority of the members of the investment adviser having only a minority interest in the business of the investment adviser or from the admission to the investment adviser of one or more members who, after admission, will be only a minority of the members and will have only a minority interest in the business.

(6) It is unlawful for an investment adviser to take or have custody of any securities or funds of any client if:

(a) the commissioner by rule prohibits custody; or

(b) in the absence of rule, the investment adviser fails to notify the commissioner that the investment adviser has or may have custody.

(7) It is unlawful for a multilevel ~~distribution~~ marketing company or a person who directly or indirectly controls a multilevel ~~distribution~~ marketing company, in the course of transacting business in, into, or from this state, to:

(a) employ any device, scheme, or artifice to defraud;

(b) make a false statement of a material fact;

(c) omit a material fact necessary to make a statement not misleading in light of the circumstances under

which it is made; or

(d) engage in any other act, practice, or course of business that operates or would operate as a fraud or deceit upon any person."

Section 3. Section 30-10-303, MCA, is amended to read:

"30-10-303. Unlawful representation concerning registration or exemption. (1) The fact that an application for registration under 30-10-201(6) ~~or 30-10-216~~, a notice filing under 30-10-211 [or section 1], or a registration statement under 30-10-203, 30-10-204, or 30-10-205 has been filed or the fact that a person or security is effectively registered or a complete notice filing has been made does not constitute a finding by the commissioner that any document filed under parts 1 through 3 of this chapter is true, complete, and not misleading.

(2) The fact that an application for registration or a notice filing has been filed or a person or security is effectively registered or a complete notice filing has been made as provided in subsection (1) or the fact that an exemption or exception is available for a person, security, or transaction does not mean that the commissioner has passed in any way upon the merits of, qualifications of, or recommended or given approval to, any person, security, or transaction. It is unlawful to make or cause to be made to any prospective purchaser, customer, or client any representation inconsistent with this section."

Section 4. Section 30-10-324, MCA, is amended to read:

"30-10-324. Definitions. As used in ~~30-10-216,~~ 30-10-301, 30-10-324, ~~and~~ 30-10-325, and [section 1], the following definitions apply:

(1) ~~(a)~~(A) "Compensation" means the receipt of money, a thing of value, or a financial benefit.

~~(b) Compensation does not include:~~

~~(i) payments to a participant based upon the sale of goods or services by the participant to third persons when the goods or services are purchased for actual use or consumption; or~~

~~(ii) payments to a participant based upon the sale of goods or services to the participant that are used or consumed by the participant.~~

(B) COMPENSATION DOES NOT INCLUDE:

(I) PAYMENTS TO A PARTICIPANT BASED ON THE SALE OF GOODS OR SERVICES BY THE PARTICIPANT TO THIRD PERSONS WHEN THE GOODS OR SERVICES ARE PURCHASED FOR ACTUAL USE OR CONSUMPTION; OR

(II) PAYMENTS TO A PARTICIPANT BASED ON THE SALE OF GOODS OR SERVICES TO THE PARTICIPANT THAT ARE USED OR CONSUMED BY THE PARTICIPANT.

(2) (a) "Consideration" means the payment of money, the purchase of goods or services, or the purchase of intangible property.

(b) Consideration does not include:

(i) the purchase of goods or services furnished at cost that are~~:~~

~~(A) are used in for the purposes of making sales; and~~ USED IN MAKING SALES AND THAT ARE NOT FOR RESALE; OR

~~(B) that are not intended primarily for resale; or~~

(ii) a participant's time and effort expended in the pursuit of sales or in recruiting activities.

(3) "Direct selling association" means the nonprofit entity incorporated in the state of Delaware and recognized by the department as the direct selling association.

(4) "Multilevel ~~distribution~~ marketing company" means a person that:

(a) sells, distributes, or supplies goods or services through independent agents, contractors, or distributors:

(i) at different levels of distribution; or

(ii) pursuant to a formula for compensating participants in whole or in part based on purchases of sales by or recruitment of other participants;

(b) ~~may~~ permits participants to recruit other participants in the company; and

(c) ~~is eligible~~ provides for commissions, cross-commissions, override commissions, bonuses, refunds, dividends, or other consideration that is or may be paid as a result of the sale of goods or services or the recruitment of or the performance or actions of other participants.

(5) "Participant" means a person involved in a sales plan or operation.

(6) "Person" means an individual, corporation, partnership, limited liability company, or other business entity.

(7) (a) "Pyramid promotional scheme" means a sales plan or operation in which a participant gives consideration for the opportunity to receive compensation derived primarily from obtaining the participation of other persons in the sales plan or operation rather than from the sale of goods or services by the participant or the other persons induced to participate in the sales plan or operation by the participant.

(b) A pyramid promotional scheme includes a Ponzi scheme, in which a person makes payments to

investors from money obtained from later investors, rather than from any profits or other income of an underlying or purported underlying business venture.

(c) A pyramid promotional scheme does not include a sales plan or operation that:

(i) subject to the provisions of subsection ~~(7)(c)(v)~~ (7)(c)(iv), provides compensation to a participant based primarily ~~upon~~ on the sale of goods or services by the participant, including goods or services used or consumed by the participant or other participants, and not primarily for obtaining the participation of other persons in the sales plan or operation ~~and that provides compensation to the participant based upon the sale of goods or services by persons whose participation in the sales plan or operation has been obtained by the participant~~;

(ii) does not require a participant to purchase goods or services in an amount that unreasonably exceeds an amount that can be expected to be resold or consumed within a reasonable period of time;

~~(iii) is authorized to use a federally registered trademark or servicemark that identifies the company promoting the sales plan or operation, the goods or services sold, or the sales plan or operation;~~

~~(iv)~~(iii) (A) provides each person joining the sales plan or operation with a written agreement containing or a written statement describing the material terms of participating in the sales plan or operation;

(B) allows a person at least 15 days to cancel the person's participation in the sales plan or operation; and

(C) provides that if the person cancels participation within the time provided and returns any items given to the person to assist in marketing goods or services under the plan, the person is entitled to a refund of any consideration given to participate in the sales plan or operation; and

~~(v)~~(iv) (A) ~~upon~~ on the request of a participant deciding to terminate participation in the sales plan or operation, provides for the repurchase, at not less than 90% of the amount paid by the participant, of any currently marketable goods or services sold to the participant within 12 months of the request that have not been resold or consumed by the participant; and

(B) if disclosed to the participant at the time of purchase, provides that goods or services are not considered currently marketable if the goods have been consumed or the services rendered or if the goods or services are seasonal, discontinued, or special promotional items. Sales plan or operation promotional materials, sales aids, and sales kits are subject to the provisions of this subsection (7)(c)(v) if they are a required purchase for the participant or if the participant has received or may receive a financial benefit from their purchase.

(8) "Transacting business" means to directly or indirectly:

(a) offer, sell, distribute, or supply goods or services through independent agents, contractors, or

distributors at different levels of distribution; or

(b) recruit or attempt to recruit participants in a multilevel distribution company."

NEW SECTION. **Section 5. Repealer.** The following section of the Montana Code Annotated is repealed:

30-10-216. Registration requirements for multilevel distribution companies.

NEW SECTION. **Section 6. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 30, chapter 10, part 3, and the provisions of Title 30, chapter 10, part 3, apply to [section 1].

NEW SECTION. **Section 7. Saving clause.** [This act] does not affect rights and duties that matured, penalties that were incurred, or proceedings that were begun before [the effective date of this act].

- END -

HOUSE BILL NO. 554

INTRODUCED BY G. PIERSON

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS APPLYING TO SECURITIES MULTILEVEL MARKETING COMPANIES; CREATING REQUIREMENTS FOR NOTICE OF ACTIVITY AND CONSENT TO SERVICE TO BE SUBMITTED TO THE SECURITIES COMMISSIONER; REVISING DEFINITIONS; AMENDING SECTIONS 30-10-301, 30-10-303, AND 30-10-324, MCA; AND REPEALING SECTION 30-10-216, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Notice of activity -- consent to service.** (1) A multilevel marketing company shall file with the commissioner on forms prescribed by the commissioner:

(a) prior to obtaining a participant that is a resident of this state:

(i) a notice that the company intends to operate in this state; and

(ii) an irrevocable consent designating the commissioner as its agent for service of process for any alleged violation of 30-10-325; and

(b) following the initial filing under subsection (1)(a), an annual notice of the company's operations in this state.

(2) The forms in subsection (1) must include, at a minimum:

(a) the names, home or business addresses, dates of birth, and titles of the multilevel marketing company's officers, directors, and trustees;

(b) the multilevel marketing company's corporate name, state of domicile and state of incorporation, and headquarters mailing address, e-mail address, and telephone and telefax numbers; and

(c) a detailed description of the levels of distribution in the multilevel marketing company, the manner of compensating participants, and the compensation structure of the marketing plan.

(3) Compliance with this ~~chapter~~ SECTION does not confer on a multilevel marketing company any license or registration or signify that the state has sanctioned, approved, or endorsed a multilevel marketing company or its sales plan or operation.

(4) A multilevel marketing company or any individual or entity affiliated with a multilevel marketing company may not represent that the multilevel marketing company, individual, or entity is licensed, sanctioned,

approved, or endorsed in this state by virtue of compliance with 30-10-325 and this section.

(5) THE REQUIREMENTS OF SUBSECTIONS (1) AND (2) DO NOT APPLY TO A DIRECT SELLING ASSOCIATION MEMBER.

Section 2. Section 30-10-301, MCA, is amended to read:

"30-10-301. Fraudulent and other prohibited practices. (1) It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly, in, into, or from this state, to:

(a) employ any device, scheme, or artifice to defraud;

(b) make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or

(c) engage in any act, practice, or course of business that operates or would operate as a fraud or deceit upon any person.

(2) (a) It is unlawful for any person who receives, directly or indirectly, any consideration from another person for advising the other person as to the value of securities or their purchase or sale, whether through the issuance of analysis or reports or otherwise:

(i) to employ any device, scheme, or artifice to defraud the other person;

(ii) to engage in any act, practice, or course of business that operates or would operate as a fraud or deceit upon the other person; or

(iii) without disclosing to the client in writing before the completion of the transaction the capacity in which the person is acting and obtaining the consent of the client to the transaction:

(A) acting as principal for the person's own account, to knowingly sell any security to or purchase any security from a client; or

(B) acting as agent for a person other than the client, to knowingly effect the sale or purchase of any security for the account of the client.

(b) The prohibitions of subsection (2)(a)(iii) do not apply to any transaction with a customer of a broker-dealer if the broker-dealer is not being compensated for rendering investment advice in relation to the transaction.

(3) In the solicitation of advisory clients, it is unlawful for a person to:

(a) make a false statement of a material fact; or

(b) omit a material fact necessary to make a statement not misleading in light of the circumstances under

which it is made.

(4) Except as permitted by rule or order of the commissioner, it is unlawful for any investment adviser who is registered or required to be registered to enter into, extend, or renew any investment advisory contract unless it provides in writing that:

(a) the investment adviser may not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of the client;

(b) an assignment of the contract may not be made by the investment adviser without the consent of the other party to the contract; and

(c) the investment adviser, if a partnership, shall notify the other party to the contract of any change in the membership of the partnership within a reasonable time after the change.

(5) Subsection (4)(a) does not prohibit an investment advisory contract that provides for compensation based upon the total value of a fund averaged over a definite period or as of definite dates or taken as of a definite date. "Assignment", as used in subsection (4)(b), includes any direct or indirect transfer or hypothecation of an investment advisory contract by the assignor or of a controlling block of the assignor's outstanding voting securities by a security holder of the assignor; but if the investment adviser is a partnership, an assignment of an investment advisory contract is not considered to result from the death or withdrawal of a minority of the members of the investment adviser having only a minority interest in the business of the investment adviser or from the admission to the investment adviser of one or more members who, after admission, will be only a minority of the members and will have only a minority interest in the business.

(6) It is unlawful for an investment adviser to take or have custody of any securities or funds of any client if:

(a) the commissioner by rule prohibits custody; or

(b) in the absence of rule, the investment adviser fails to notify the commissioner that the investment adviser has or may have custody.

(7) It is unlawful for a multilevel ~~distribution~~ marketing company or a person who directly or indirectly controls a multilevel ~~distribution~~ marketing company, in the course of transacting business in, into, or from this state, to:

(a) employ any device, scheme, or artifice to defraud;

(b) make a false statement of a material fact;

(c) omit a material fact necessary to make a statement not misleading in light of the circumstances under

which it is made; or

(d) engage in any other act, practice, or course of business that operates or would operate as a fraud or deceit upon any person."

Section 3. Section 30-10-303, MCA, is amended to read:

"30-10-303. Unlawful representation concerning registration or exemption. (1) The fact that an application for registration under 30-10-201(6) ~~or 30-10-216~~, a notice filing under 30-10-211 [or section 1], or a registration statement under 30-10-203, 30-10-204, or 30-10-205 has been filed or the fact that a person or security is effectively registered or a complete notice filing has been made does not constitute a finding by the commissioner that any document filed under parts 1 through 3 of this chapter is true, complete, and not misleading.

(2) The fact that an application for registration or a notice filing has been filed or a person or security is effectively registered or a complete notice filing has been made as provided in subsection (1) or the fact that an exemption or exception is available for a person, security, or transaction does not mean that the commissioner has passed in any way upon the merits of, qualifications of, or recommended or given approval to, any person, security, or transaction. It is unlawful to make or cause to be made to any prospective purchaser, customer, or client any representation inconsistent with this section."

Section 4. Section 30-10-324, MCA, is amended to read:

"30-10-324. Definitions. As used in ~~30-10-216,~~ 30-10-301, 30-10-324, ~~and~~ 30-10-325, and [section 1], the following definitions apply:

(1) ~~(a)~~(A) "Compensation" means the receipt of money, a thing of value, or a financial benefit.

~~(b) Compensation does not include:~~

~~(i) payments to a participant based upon the sale of goods or services by the participant to third persons when the goods or services are purchased for actual use or consumption; or~~

~~(ii) payments to a participant based upon the sale of goods or services to the participant that are used or consumed by the participant.~~

(B) COMPENSATION DOES NOT INCLUDE:

(I) PAYMENTS TO A PARTICIPANT BASED ON THE SALE OF GOODS OR SERVICES BY THE PARTICIPANT TO THIRD PERSONS WHEN THE GOODS OR SERVICES ARE PURCHASED FOR ACTUAL USE OR CONSUMPTION; OR

(II) PAYMENTS TO A PARTICIPANT BASED ON THE SALE OF GOODS OR SERVICES TO THE PARTICIPANT THAT ARE USED OR CONSUMED BY THE PARTICIPANT.

(2) (a) "Consideration" means the payment of money, the purchase of goods or services, or the purchase of intangible property.

(b) Consideration does not include:

(i) the purchase of goods or services furnished at cost that are~~:~~

~~(A) are used in for the purposes of making sales; and~~ USED IN MAKING SALES AND THAT ARE NOT FOR RESALE; OR

~~(B) that are not intended primarily for resale; or~~

(ii) a participant's time and effort expended in the pursuit of sales or in recruiting activities.

(3) "Direct selling association" means the nonprofit entity incorporated in the state of Delaware and recognized by the department as the direct selling association.

(4) "Multilevel ~~distribution~~ marketing company" means a person that:

(a) sells, distributes, or supplies goods or services through independent agents, contractors, or distributors:

(i) at different levels of distribution; or

(ii) pursuant to a formula for compensating participants in whole or in part based on purchases of sales by or recruitment of other participants;

(b) ~~may~~ permits participants to recruit other participants in the company; and

(c) ~~is eligible~~ provides for commissions, cross-commissions, override commissions, bonuses, refunds, dividends, or other consideration that is or may be paid as a result of the sale of goods or services or the recruitment of or the performance or actions of other participants.

(5) "Participant" means a person involved in a sales plan or operation.

(6) "Person" means an individual, corporation, partnership, limited liability company, or other business entity.

(7) (a) "Pyramid promotional scheme" means a sales plan or operation in which a participant gives consideration for the opportunity to receive compensation derived primarily from obtaining the participation of other persons in the sales plan or operation rather than from the sale of goods or services by the participant or the other persons induced to participate in the sales plan or operation by the participant.

(b) A pyramid promotional scheme includes a Ponzi scheme, in which a person makes payments to

investors from money obtained from later investors, rather than from any profits or other income of an underlying or purported underlying business venture.

(c) A pyramid promotional scheme does not include a sales plan or operation that:

(i) subject to the provisions of subsection ~~(7)(c)(v)~~ (7)(c)(iv), provides compensation to a participant based primarily ~~upon~~ on the sale of goods or services by the participant, including goods or services used or consumed by the participant or other participants, and not primarily for obtaining the participation of other persons in the sales plan or operation ~~and that provides compensation to the participant based upon the sale of goods or services by persons whose participation in the sales plan or operation has been obtained by the participant~~;

(ii) does not require a participant to purchase goods or services in an amount that unreasonably exceeds an amount that can be expected to be resold or consumed within a reasonable period of time;

~~(iii) is authorized to use a federally registered trademark or servicemark that identifies the company promoting the sales plan or operation, the goods or services sold, or the sales plan or operation;~~

~~(iv)~~(iii) (A) provides each person joining the sales plan or operation with a written agreement containing or a written statement describing the material terms of participating in the sales plan or operation;

(B) allows a person at least 15 days to cancel the person's participation in the sales plan or operation; and

(C) provides that if the person cancels participation within the time provided and returns any items given to the person to assist in marketing goods or services under the plan, the person is entitled to a refund of any consideration given to participate in the sales plan or operation; and

~~(v)~~(iv) (A) ~~upon~~ on the request of a participant deciding to terminate participation in the sales plan or operation, provides for the repurchase, at not less than 90% of the amount paid by the participant, of any currently marketable goods or services sold to the participant within 12 months of the request that have not been resold or consumed by the participant; and

(B) if disclosed to the participant at the time of purchase, provides that goods or services are not considered currently marketable if the goods have been consumed or the services rendered or if the goods or services are seasonal, discontinued, or special promotional items. Sales plan or operation promotional materials, sales aids, and sales kits are subject to the provisions of this subsection (7)(c)(v) if they are a required purchase for the participant or if the participant has received or may receive a financial benefit from their purchase.

(8) "Transacting business" means to directly or indirectly:

(a) offer, sell, distribute, or supply goods or services through independent agents, contractors, or

distributors at different levels of distribution; or

(b) recruit or attempt to recruit participants in a multilevel distribution company."

NEW SECTION. **Section 5. Repealer.** The following section of the Montana Code Annotated is repealed:

30-10-216. Registration requirements for multilevel distribution companies.

NEW SECTION. **Section 6. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 30, chapter 10, part 3, and the provisions of Title 30, chapter 10, part 3, apply to [section 1].

NEW SECTION. **Section 7. Saving clause.** [This act] does not affect rights and duties that matured, penalties that were incurred, or proceedings that were begun before [the effective date of this act].

- END -

HOUSE BILL NO. 554

INTRODUCED BY G. PIERSON

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS APPLYING TO SECURITIES MULTILEVEL MARKETING COMPANIES; CREATING REQUIREMENTS FOR NOTICE OF ACTIVITY AND CONSENT TO SERVICE TO BE SUBMITTED TO THE SECURITIES COMMISSIONER; REVISING DEFINITIONS; AMENDING SECTIONS 30-10-301, 30-10-303, AND 30-10-324, MCA; AND REPEALING SECTION 30-10-216, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Notice of activity -- consent to service.** (1) A multilevel marketing company shall file with the commissioner on forms prescribed by the commissioner:

(a) prior to obtaining a participant that is a resident of this state:

(i) a notice that the company intends to operate in this state; and

(ii) an irrevocable consent designating the commissioner as its agent for service of process for any alleged violation of 30-10-325; and

(b) following the initial filing under subsection (1)(a), an annual notice of the company's operations in this state.

(2) The forms in subsection (1) must include, at a minimum:

(a) the names, home or business addresses, dates of birth, and titles of the multilevel marketing company's officers, directors, and trustees;

(b) the multilevel marketing company's corporate name, state of domicile and state of incorporation, and headquarters mailing address, e-mail address, and telephone and telefax numbers; and

(c) a detailed description of the levels of distribution in the multilevel marketing company, the manner of compensating participants, and the compensation structure of the marketing plan.

(3) Compliance with this chapter does not confer on a multilevel marketing company any license or registration or signify that the state has sanctioned, approved, or endorsed a multilevel marketing company or its sales plan or operation.

(4) A multilevel marketing company or any individual or entity affiliated with a multilevel marketing company may not represent that the multilevel marketing company, individual, or entity is licensed, sanctioned,

approved, or endorsed in this state by virtue of compliance with 30-10-325 and this section.

Section 2. Section 30-10-301, MCA, is amended to read:

"30-10-301. Fraudulent and other prohibited practices. (1) It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly, in, into, or from this state, to:

(a) employ any device, scheme, or artifice to defraud;

(b) make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or

(c) engage in any act, practice, or course of business that operates or would operate as a fraud or deceit upon any person.

(2) (a) It is unlawful for any person who receives, directly or indirectly, any consideration from another person for advising the other person as to the value of securities or their purchase or sale, whether through the issuance of analysis or reports or otherwise:

(i) to employ any device, scheme, or artifice to defraud the other person;

(ii) to engage in any act, practice, or course of business that operates or would operate as a fraud or deceit upon the other person; or

(iii) without disclosing to the client in writing before the completion of the transaction the capacity in which the person is acting and obtaining the consent of the client to the transaction:

(A) acting as principal for the person's own account, to knowingly sell any security to or purchase any security from a client; or

(B) acting as agent for a person other than the client, to knowingly effect the sale or purchase of any security for the account of the client.

(b) The prohibitions of subsection (2)(a)(iii) do not apply to any transaction with a customer of a broker-dealer if the broker-dealer is not being compensated for rendering investment advice in relation to the transaction.

(3) In the solicitation of advisory clients, it is unlawful for a person to:

(a) make a false statement of a material fact; or

(b) omit a material fact necessary to make a statement not misleading in light of the circumstances under which it is made.

(4) Except as permitted by rule or order of the commissioner, it is unlawful for any investment adviser

who is registered or required to be registered to enter into, extend, or renew any investment advisory contract unless it provides in writing that:

(a) the investment adviser may not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of the client;

(b) an assignment of the contract may not be made by the investment adviser without the consent of the other party to the contract; and

(c) the investment adviser, if a partnership, shall notify the other party to the contract of any change in the membership of the partnership within a reasonable time after the change.

(5) Subsection (4)(a) does not prohibit an investment advisory contract that provides for compensation based upon the total value of a fund averaged over a definite period or as of definite dates or taken as of a definite date. "Assignment", as used in subsection (4)(b), includes any direct or indirect transfer or hypothecation of an investment advisory contract by the assignor or of a controlling block of the assignor's outstanding voting securities by a security holder of the assignor; but if the investment adviser is a partnership, an assignment of an investment advisory contract is not considered to result from the death or withdrawal of a minority of the members of the investment adviser having only a minority interest in the business of the investment adviser or from the admission to the investment adviser of one or more members who, after admission, will be only a minority of the members and will have only a minority interest in the business.

(6) It is unlawful for an investment adviser to take or have custody of any securities or funds of any client if:

(a) the commissioner by rule prohibits custody; or

(b) in the absence of rule, the investment adviser fails to notify the commissioner that the investment adviser has or may have custody.

(7) It is unlawful for a multilevel ~~distribution~~ marketing company or a person who directly or indirectly controls a multilevel ~~distribution~~ marketing company, in the course of transacting business in, into, or from this state, to:

(a) employ any device, scheme, or artifice to defraud;

(b) make a false statement of a material fact;

(c) omit a material fact necessary to make a statement not misleading in light of the circumstances under which it is made; or

(d) engage in any other act, practice, or course of business that operates or would operate as a fraud

or deceit upon any person."

Section 3. Section 30-10-303, MCA, is amended to read:

"30-10-303. Unlawful representation concerning registration or exemption. (1) The fact that an application for registration under 30-10-201(6) ~~or 30-10-216~~, a notice filing under 30-10-211 [or section 1], or a registration statement under 30-10-203, 30-10-204, or 30-10-205 has been filed or the fact that a person or security is effectively registered or a complete notice filing has been made does not constitute a finding by the commissioner that any document filed under parts 1 through 3 of this chapter is true, complete, and not misleading.

(2) The fact that an application for registration or a notice filing has been filed or a person or security is effectively registered or a complete notice filing has been made as provided in subsection (1) or the fact that an exemption or exception is available for a person, security, or transaction does not mean that the commissioner has passed in any way upon the merits of, qualifications of, or recommended or given approval to, any person, security, or transaction. It is unlawful to make or cause to be made to any prospective purchaser, customer, or client any representation inconsistent with this section."

Section 4. Section 30-10-324, MCA, is amended to read:

"30-10-324. Definitions. As used in ~~30-10-216,~~ 30-10-301, 30-10-324, ~~and~~ 30-10-325, and [section 1], the following definitions apply:

(1) ~~(a)~~ "Compensation" means the receipt of money, a thing of value, or a financial benefit.

~~(b) Compensation does not include:~~

~~(i) payments to a participant based upon the sale of goods or services by the participant to third persons when the goods or services are purchased for actual use or consumption; or~~

~~(ii) payments to a participant based upon the sale of goods or services to the participant that are used or consumed by the participant.~~

(2) (a) "Consideration" means the payment of money, the purchase of goods or services, or the purchase of intangible property.

(b) Consideration does not include:

(i) the purchase of goods or services furnished at cost that are:

(A) ~~are~~ used ~~in~~ for the purposes of making sales; and

(B) ~~that are~~ not intended primarily for resale; or

(ii) a participant's time and effort expended in the pursuit of sales or in recruiting activities.

(3) "Direct selling association" means the nonprofit entity incorporated in the state of Delaware and recognized by the department as the direct selling association.

(4) "Multilevel ~~distribution~~ marketing company" means a person that:

(a) sells, distributes, or supplies goods or services through independent agents, contractors, or distributors:

(i) at different levels of distribution; or

(ii) pursuant to a formula for compensating participants in whole or in part based on purchases of sales by or recruitment of other participants;

(b) ~~may~~ permits participants to recruit other participants in the company; and

(c) ~~is eligible~~ provides for commissions, cross-commissions, override commissions, bonuses, refunds, dividends, or other consideration that is or may be paid as a result of the sale of goods or services or the recruitment of or the performance or actions of other participants.

(5) "Participant" means a person involved in a sales plan or operation.

(6) "Person" means an individual, corporation, partnership, limited liability company, or other business entity.

(7) (a) "Pyramid promotional scheme" means a sales plan or operation in which a participant gives consideration for the opportunity to receive compensation derived primarily from obtaining the participation of other persons in the sales plan or operation rather than from the sale of goods or services by the participant or the other persons induced to participate in the sales plan or operation by the participant.

(b) A pyramid promotional scheme includes a Ponzi scheme, in which a person makes payments to investors from money obtained from later investors, rather than from any profits or other income of an underlying or purported underlying business venture.

(c) A pyramid promotional scheme does not include a sales plan or operation that:

(i) subject to the provisions of subsection ~~(7)(c)(v)~~ (7)(c)(iv), provides compensation to a participant based primarily ~~upon~~ on the sale of goods or services by the participant, including goods or services used or consumed by the participant or other participants, and not primarily for obtaining the participation of other persons in the sales plan or operation ~~and that provides compensation to the participant based upon the sale of goods or services by persons whose participation in the sales plan or operation has been obtained by the participant~~;

(ii) does not require a participant to purchase goods or services in an amount that unreasonably exceeds an amount that can be expected to be resold or consumed within a reasonable period of time;

~~(iii) is authorized to use a federally registered trademark or servicemark that identifies the company promoting the sales plan or operation, the goods or services sold, or the sales plan or operation;~~

~~(iv)~~(iii) (A) provides each person joining the sales plan or operation with a written agreement containing or a written statement describing the material terms of participating in the sales plan or operation;

(B) allows a person at least 15 days to cancel the person's participation in the sales plan or operation; and

(C) provides that if the person cancels participation within the time provided and returns any items given to the person to assist in marketing goods or services under the plan, the person is entitled to a refund of any consideration given to participate in the sales plan or operation; and

~~(v)~~(iv) (A) ~~upon~~ on the request of a participant deciding to terminate participation in the sales plan or operation, provides for the repurchase, at not less than 90% of the amount paid by the participant, of any currently marketable goods or services sold to the participant within 12 months of the request that have not been resold or consumed by the participant; and

(B) if disclosed to the participant at the time of purchase, provides that goods or services are not considered currently marketable if the goods have been consumed or the services rendered or if the goods or services are seasonal, discontinued, or special promotional items. Sales plan or operation promotional materials, sales aids, and sales kits are subject to the provisions of this subsection (7)(c)(v) if they are a required purchase for the participant or if the participant has received or may receive a financial benefit from their purchase.

(8) "Transacting business" means to directly or indirectly:

(a) offer, sell, distribute, or supply goods or services through independent agents, contractors, or distributors at different levels of distribution; or

(b) recruit or attempt to recruit participants in a multilevel distribution company."

NEW SECTION. **Section 5. Repealer.** The following section of the Montana Code Annotated is repealed:

30-10-216. Registration requirements for multilevel distribution companies.

NEW SECTION. **Section 6. Codification instruction.** [Section 1] is intended to be codified as an

integral part of Title 30, chapter 10, part 3, and the provisions of Title 30, chapter 10, part 3, apply to [section 1].

NEW SECTION. **Section 7. Saving clause.** [This act] does not affect rights and duties that matured, penalties that were incurred, or proceedings that were begun before [the effective date of this act].

- END -

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
64th LEGISLATURE - REGULAR SESSION

COMMITTEE ON BUSINESS AND LABOR

Call to Order: Chair Tom Berry, on February 20, 2015 at 8:00 AM, in Room 172 Capitol

ROLL CALL

Members Present:

Rep. Tom Berry, Chair (R)
Rep. Daniel R. Salomon, Vice Chair (R)
Rep. Ryan Lynch, Vice Chair (D)
Rep. Christy Clark (R)
Rep. Willis Curdy (D)
Rep. Chuck Hunter (D)
Rep. George G. Kipp III (D)
Rep. Mike Lang (R)
Rep. David (Doc) Moore (R)
Rep. Mark Noland (R)
Rep. Andrea Olsen (D)
Rep. Gordon Pierson Jr (D)
Rep. Christopher Pope (D)
Rep. Vince Ricci (R)
Rep. Scott Staffanson (R)
Rep. Tom Steenberg (D)
Rep. Jeffrey W. Welborn (R)

Members Excused: Rep. Steve Fitzpatrick (R)
Rep. Tom Richmond (R)

Members Absent: None

Staff Present: Karen Armstrong, Committee Secretary
Pat Murdo, Legislative Branch

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted: HB 500, 2/17/2015; HB 531, 2/17/2015; HB 552, 2/17/2015; HB 554, 2/17/2015; HB 565, 2/18/2015; HB 568, 2/18/2015; HB 577, 2/19/2015

Executive Action: HB 306, HB 500, HB 531, HB 552, HB 554, HB 565, HB 568, HB 577

00:00:00 Chairman Berry

HEARING ON HB 531

Opening Statement by Sponsor:
00:01:48 Rep. Tom Jacobson (D), HD 21, opened the hearing on HB 531, Prohibit certain underwriting factors for private passenger insurance.

Proponents' Testimony:
00:01:59 Doug Heller, Consumer Federation of America (CFA)
00:13:47 Seth Lutter, Director of Counseling, Rural Dynamics Consumer Credit Counseling Services
00:15:46 Jesse Laslovich, State Auditor's Office (SAO)

Opponents' Testimony:
00:16:22 Jacqueline Lenmark, American Insurance Association (AIA), State Farm Insurance
00:20:14 Dwight Easton, Farmers Insurance Group
00:22:53 Bruce Spencer, Property Casualty Insurance Association of America (PCIAA)
EXHIBIT(buh39a01)
00:27:48 Bob Biskupiak, Independent Insurance Agents Association of Montana, Inc.

Informational Testimony: None

Questions from Committee Members and Responses:
00:28:13 Rep. Pierson
00:29:05 Doug Heller, CFA
00:29:15 Rep. Pierson
00:29:46 Jacqueline Lenmark, AIA
00:30:55 Rep. Pierson
00:31:07 Jesse Laslovich, SAO
00:31:24 Rep. Pierson
00:31:40 Jesse Laslovich, SAO
00:31:50 Rep. Hunter
00:32:21 Jesse Laslovich, SAO
00:32:28 Chairman Berry
00:32:38 Rep. Lang
00:33:09 Rep. Richmond arrived.
00:33:26 Jesse Laslovich, SAO
00:33:41 Rep. Olsen
00:34:35 Jesse Laslovich, SAO
00:35:02 Rep. Olsen
00:35:20 Jesse Laslovich, SAO

Closing by Sponsor:
00:35:30 Rep. Jacobson

HEARING ON HB 577

Opening Statement by Sponsor:
00:37:52 Rep. Kenneth Holmlund (R), HD 38, opened the hearing on HB 577, Revising what is an illegal gambling activity for horse and dog racing.

Proponents' Testimony:
00:40:18 Rick Ask, Administrator, Gambling Control Division, Department of Justice, (DOJ)
00:40:57 Tom Tucker, Executive Secretary, Montana Board of Horse Racing

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses: None

Closing by Sponsor:
00:44:54 Rep. Holmlund

HEARING ON HB 552

Opening Statement by Sponsor:
00:45:35 Rep. Seth Berglee (R), HD 58, opened the hearing on HB 552, Generally revise laws regarding licensure laws for pre-paid legal services.
EXHIBIT(buh39a02)

Proponents' Testimony:
00:48:27 Jacqueline Lenmark, LegalZoom.com, Inc.

Opponents' Testimony:
00:49:31 Jesse Laslovich, State Auditor's Office (SAO)

Informational Testimony: None

Questions from Committee Members and Responses:
00:51:44 Chairman Berry
00:52:16 Jesse Laslovich, SAO
00:52:54 Chairman Berry
00:53:07 Rep. Moore
00:53:30 Rep. Berglee
00:53:35 Rep. Pope
00:54:10 Rep. Berglee

Closing by Sponsor:
00:54:53 Rep. Berglee

HEARING ON HB 554

Opening Statement by Sponsor:
00:55:36 Rep. Gordon Pierson (D), HD 78, opened the hearing on HB 554, Revise securities multilevel marketing laws.
EXHIBIT(buh39a03)

Proponents' Testimony:
00:57:30 Jesse Laslovich, State Auditor's Office (SAO)
01:01:05 Brad Griffin, Montana Retail Association (MRA)

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses: None

Closing by Sponsor:
01:02:23 Rep. Pierson

HEARING ON HB 500

Opening Statement by Sponsor:
01:03:01 Rep. Andrea Olsen (D), HD 100, opened the hearing on HB 500, Revise terms for treating physician designation in workers' compensation cases.

Proponents' Testimony:
01:06:26 Bradley J. Jones, Montana Trial Lawyers Association (MTLA)
01:07:47 Rep. Fitzpatrick arrived.
01:15:45 Chairman Berry
01:15:54 Bruce Hoiland, Self
01:22:03 Pat Fox, Attorney, Doubek, Pyfer and Fox
01:25:02 Michael Brown, Physician, Montana Medical Association (MMA)
01:26:57 Penny Harris, Self
01:30:16 Michele Reinhart Levine, Attorney, FairClaim Workers' Comp Attorneys
EXHIBIT(buh39a04)
EXHIBIT(buh39a05)
EXHIBIT(buh39a06)
EXHIBIT(buh39a07)
01:42:45 Lonnie Olson, Montana Trial Lawyers Association (MTLA)
EXHIBIT(buh39a08)
01:49:07 Keith Allen, International Brotherhood of Electrical Workers Local 233 (IBEW)
01:49:51 J. D. Lynch, Teamsters Local #2, Montana State Building Trades

Opponents' Testimony:
01:50:43 Kevin Braun, Montana State Fund (MSF)
01:55:27 Jacqueline Lenmark, American Insurance Association (AIA) and Property and Casualty Insurers Association of America (PCIAA)

01:58:33 Glenn Oppel, Montana Chamber of Commerce (MCC)
01:58:53 Allen Hulse, Chief Executive Officer, Montana Municipal Interlocal Authority

Informational Testimony:
02:00:54 Judy Bovington, Department of Labor and Industry (DLI)

Questions from Committee Members and Responses:
02:01:22 Rep. Ricci
02:02:08 Michael Brown, MMA
02:03:23 Rep. Staffanson
02:04:01 Michael Brown, MMA
02:05:02 Rep. Fitzpatrick
02:05:49 Rep. Olsen
02:06:10 Michele Reinhart Levine, FairClaim Workers' Comp Attorneys
02:08:17 Rep. Fitzpatrick
02:08:39 Michele Reinhart Levine, FairClaim Workers' Comp Attorneys
02:09:25 Rep. Hunter
02:10:08 Michael Brown, MMA
02:10:16 Rep. Hunter
02:10:22 Michele Reinhart Levine, FairClaim Workers' Comp Attorneys
02:11:08 Rep. Hunter
02:11:35 Kevin Braun, MSF
02:11:42 Rep. Hunter
02:12:03 Kevin Braun, MSF
02:12:18 Rep. Hunter
02:12:43 Rep. Olsen
02:13:13 Rep. Pope
02:13:45 Kevin Braun, MSF
02:14:02 Rep. Pope
02:14:21 Kevin Braun, MSF
02:14:52 Rep. Pope
02:14:56 Kevin Braun, MSF
02:15:02 Rep. Moore
02:15:27 Kevin Braun, MSF
02:15:50 Rep. Lynch
02:16:08 Kevin Braun, MSF
02:16:15 Rep. Lynch
02:16:23 Kevin Braun, MSF

Closing by Sponsor:
02:16:46 Rep. Olsen
02:18:25 Chairman Berry

02:18:37 Recessed.
02:41:35 Reconvened.
02:41:39 Chairman Berry

HEARING ON HB 565

Opening Statement by Sponsor:
02:41:54 Rep. Nancy Wilson (D), HD 95, opened the hearing on HB 565, Revise laws regarding shared equity properties.

Proponents' Testimony:
02:45:10 Jerry Petasek, Coordinator of Community Land Trust, North Missoula Community Development Corporation (NMCDC)

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:
02:48:23 Rep. Steenberg
02:49:02 Jerry Petasek
02:49:59 Rep. Lang
02:50:30 Jerry Petasek, NMCDC
02:50:45 Rep. Lang
02:51:13 Jerry Petasek, NMCDC
02:51:26 Rep. Lang
02:51:33 Jerry Petasek, NMCDC

Closing by Sponsor:
02:52:08 Rep. Wilson

HEARING ON HB 568

Opening Statement by Sponsor:
02:52:41 Rep. Ed Lieser (D), HD 5, opened the hearing on HB 568, Provide for suicide prevention and training for primary care providers.
EXHIBIT(buh39a09)

Proponents' Testimony:
02:59:32 Jim Higgins, Montana National Guard Enlisted and Officers Associations
03:06:00 Matt Kuntz, Executive Director, National Alliiance for the Mentally Ill, Montana (NAMI)
03:07:16 Aiden Myhre, Kalispell Regional Healthcare

Opponents' Testimony:
03:08:36 Michael Brown, Montana Medical Association (MMA)

Informational Testimony:
03:12:28 Karl Rosston, Suicide Prevention Coordinator, Department of Public Health and Human Services (DPHHS)

Questions from Committee Members and Responses:

03:12:53 Rep. Salomon
03:13:12 Michael Brown, MMA
03:13:28 Rep. Salomon
03:13:46 Aiden Myhre, Kalispell Regional Healthcare
03:14:28 Rep. Salomon
03:15:22 Rep. Lieser
03:15:57 Rep. Lang
03:16:23 Karl Rosston, DPHHS
03:19:05 Rep. Lang
03:20:15 Karl Rosston, DPHHS
03:21:02 Rep. Curdy
03:21:26 Michael Brown, MMA
03:22:22 Rep. Curdy
03:22:36 Michael Brown, MMA
03:24:08 Rep. Noland
03:24:31 Rep. Lieser
03:25:25 Rep. Moore
03:25:57 Karl Rosston, DPHHS

Closing by Sponsor:

03:26:34 Rep. Lieser

03:29:04 Chairman Berry
03:29:30 Rep. Lieser
03:29:34 Chairman Berry

03:30:00 Recessed.
03:34:19 Reconvened with Rep. Hunter and Rep. Lynch absent.

EXECUTIVE ACTION ON HB 306

03:34:48 **Motion:** Rep. Clark moved that **HB 306 BE REMOVED FROM TABLE**.

Discussion:

03:35:04 Chairman Berry
03:35:31 **Vote:** Motion carried 17-0 by voice vote of those present.

03:35:34 **Motion/Vote:** Rep. Salomon moved that **HB 306 BE AMENDED**. Motion carried 17-0 by voice vote of those present.

EXHIBIT(buh39a10)

03:35:55 **Motion/Vote:** Rep. Salomon moved that **HB 306 DO PASS AS AMENDED**. Motion carried 18-1 by voice vote with Rep. Staffanson voting no. Rep. Hunter and Rep. Lynch voted by proxy.

EXECUTIVE ACTION ON HB 500

03:36:20 **Motion:** Rep. Salomon moved that **HB 500 DO PASS**.

Discussion:
03:36:35 Rep. Olsen
03:36:57 Rep. Richmond

03:37:35 **Vote:** Motion failed 9-10 by roll call vote with Rep. Berry, Rep. Curdy, Rep. Hunter, Rep. Kipp, Rep. Lynch, Rep. Olsen, Rep. Pierson, Rep. Pope and Rep. Steenberg voting aye. Rep. Hunter and Rep. Lynch voted by proxy.

03:38:43 **Motion/Vote:** Rep. Salomon moved that **HB 500 BE TABLED**. Motion carried 17-0 by voice vote of those present.

EXECUTIVE ACTION ON HB 531

03:38:57 **Motion/Vote:** Rep. Salomon moved that **HB 531 DO PASS**. Motion failed 8-11 by roll call vote with Rep. Curdy, Rep. Hunter, Rep. Kipp, Rep. Lynch, Rep. Olsen, Rep. Pierson, Rep. Pope and Rep. Steenberg voting aye. Rep. Hunter and Rep. Lynch voted by proxy.

03:40:18 **Motion/Vote:** Rep. Salomon moved that **HB 531 BE TABLED**. Motion carried 17-0 by voice vote of those present.

EXECUTIVE ACTION ON HB 552

03:40:28 **Motion/Vote:** Rep. Salomon moved that **HB 552 DO PASS**. Motion failed 9-10 by roll call vote with Rep. Berry, Rep. Clark, Rep. Lang, Rep. D. Moore, Rep. Noland, Rep. Ricci, Rep. Richmond, Rep. Salomon and Rep. Staffanson voting aye. Rep. Hunter and Rep. Lynch voted by proxy.

03:41:57 **Motion/Vote:** Rep. Salomon moved that **HB 552 BE TABLED**. Motion carried 17-0 by voice vote of those present.

EXECUTIVE ACTION ON HB 554

03:42:12 **Motion:** Rep. Salomon moved that **HB 554 DO PASS**.

03:42:15 **Motion:** Rep. Pierson moved that **HB 554 BE AMENDED**.

Discussion:

03:42:28 Pat Murdo, Legislative Services Division

03:43:39 **Vote:** Motion carried unanimously by voice vote. Rep. Hunter and Rep. Lynch voted by proxy.

03:43:52 **Motion/Vote:** Rep. Salomon moved that **HB 554 DO PASS AS AMENDED**. Motion carried unanimously by voice vote. Rep. Hunter and Rep. Lynch voted by proxy.

EXECUTIVE ACTION ON HB 565

03:44:19 **Motion/Vote:** Rep. Salomon moved that **HB 565 DO PASS**. Motion carried 15-4 by voice vote with Rep. Clark, Rep. Noland, Rep. Staffanson and Rep. Welborn voting no. Rep. Hunter and Rep. Lynch voted by proxy.

EXECUTIVE ACTION ON HB 568

03:45:08 **Motion:** Rep. Salomon moved that **HB 568 DO PASS**.

Discussion:

03:45:17 Rep. Pierson
03:45:47 Rep. Curdy
03:46:30 Rep. Pope
03:46:49 Rep. Staffanson
03:47:16 Rep. Curdy
03:47:54 Chairman Berry
03:48:10 Rep. Curdy
03:48:24 Chairman Berry
03:48:30 Rep. Clark
03:49:06 Rep. Lang

03:49:55 **Vote:** Motion carried 10-9 by roll call vote with Rep. Berry, Rep. Clark, Rep. Fitzpatrick, Rep. Lang, Rep. Noland, Rep. Ricci, Rep. Richmond, Rep. Staffanson and Rep. Welborn voting no. Rep. Hunter and Rep. Lynch voted by proxy.

EXECUTIVE ACTION ON HB 577

03:51:21 **Motion/Vote:** Rep. Salomon moved that **HB 577 DO PASS**. Motion carried 18-1 by voice vote with Rep. Kipp voting no. Rep. Hunter and Rep. Lynch voted by proxy.

COMMITTEE BUSINESS

03:51:58: The fiscal note for **HB 506** has arrived, and without objection, the bill was passed out of committee.

03:52:12 Chairman Berry

ADJOURNMENT

Adjournment: 03:52:24

_____
Karen Armstrong, Secretary

ka

Additional Documents:

EXHIBIT(buh39aad.pdf)

EXHIBIT 3
DATE 2/20/2015
HB 554

Amendments to House Bill No. 554
1st Reading Copy

For the House Business and Labor Committee

Prepared by Pat Murdo
February 20, 2015 (7:37am)

1. Page 1, line 26.
Strike: "chapter"
Insert: "section"

2. Page 2.
Following: line 1
Insert: "(5) The requirements of subsections (1) and (2) do not apply to a direct selling association participant."

3. Page 4, line 20.
Following: "~~(a)~~"
Insert: "(a)"

4. Page 4.
Following: line 25
Insert: "(b) Compensation does not include:

(i) payments to a participant based on the sale of goods or services by the participant to third persons when the goods or services are purchased for actual use or consumption; or

(ii) payments to a participant based on the sale of goods or services to the participant that are used or consumed by the participant."

5. Page 4, line 29.
Strike: ":"

6. Page 4, line 30.
Strike: line 30
Insert: "used in making sales and that are not for resale; or"

7. Page 5, line 1.
Strike: line 1

- END -

Explanation - Requested by State Auditor's Office. Amendment Number 1 clarifies section not chapter. Not sure why Amendment 2 is necessary. Amendments 3 and 4 add back in language that was originally stricken. Amendments 5,6,7 put back original language.

Montana State Legislature

2015 SESSION

ADDITIONAL DOCUMENTS

Business Page

[Signed by Chairman]

Roll Call

Standing Committee Reports

Tabled Bills

Fiscal Reports

Rolls Call Votes

Proxy Forms

Visitor Registrations

***Any other documents, which were submitted after the committee hearing has ended and/or was submitted late [within 48 hours], regarding information in the committee hearing.**

***Witness Statements that were not presented as exhibits.**

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BUSINESS REPORT

MONTANA HOUSE OF REPRESENTATIVES
64th LEGISLATURE - REGULAR SESSION

HOUSE BUSINESS AND LABOR COMMITTEE

Date: Friday, February 20, 2015 **Time:** 8:00 AM
Place: Capitol **Room:** 172

BILLS and RESOLUTIONS HEARD:

HB 500 - Revise terms for treating physician designation in workers' compensation cases - Rep. Andrea Olsen
HB 531 - Prohibit certain underwriting factors for private passenger insurance - Rep. Tom Jacobson
HB 552 - Generally revise laws regarding licensure laws for pre-paid legal services - Rep. Seth Berglee
HB 554 - Revise securities multilevel marketing laws - Rep. Gordon Pierson
HB 565 - Revise laws regarding shared equity properties - Rep. Nancy Wilson
HB 568 - Provide for suicide prevention and training for primary care providers - Rep. Ed Lieser
HB 577 - Revising what is an illegal gambling activity for horse and dog racing - Rep. Kenneth Holmlund

EXECUTIVE ACTION TAKEN:

HB 306	Do pass as amended
HB 500	Tabled
HB 531	Tabled
HB 552	Tabled
HB 554	Do pass as amended
HB 565	Do pass
HB 568	Do pass
HB 577	Do pass

Comments:

REP. Tom Berry, Chair

The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

BUSINESS & LABOR COMMITTEE

ROLL CALL

DATE: February 20, 2015

NAME	PRESENT	ABSENT/EXCUSED
REP. TOM BERRY, CHAIRMAN	✓	
REP. DANIEL SALOMON, VICE CHAIR	✓	
REP. RYAN LYNCH, VICE CHAIR	✓	
REP. CHRISTY CLARK	✓	
REP. WILLIS CURDY	✓	
REP. STEVE FITZPATRICK		✓
REP. CHUCK HUNTER	✓	
REP. GEORGE KIPP III	✓	
REP. MIKE LANG	✓	
REP. DAVID (DOC) MOORE	✓	
REP. MARK NOLAND	✓	
REP. ANDREA OLSEN	✓	
REP. GORDON PIERSON	✓	
REP. CHRISTOPHER POPE	✓	
REP. VINCE RICCI	✓	
REP. TOM RICHMOND		✓
REP. SCOTT STAFFANSON	✓	
REP. TOM STEENBERG	✓	
REP. JEFFREY WELBORN	✓	

19 MEMBERS

HOUSE STANDING COMMITTEE REPORT

February 20, 2015

Mr. Speaker:

We, your committee on **Business and Labor** recommend that **House Bill 306** (first reading copy -- white) **do pass as amended**.

Signed: Tom Berry
Representative Tom Berry, Chair

And, that such amendments read:

1. Page 1.
Following: line 23
Insert: "(c) An individual may not receive more than 14 weeks of unemployment benefits for the 12-month period after filing a claim under the provisions of this section. The provisions of this section do not affect the rights of an individual to receive unemployment insurance benefits that the individual is entitled to under other provisions of state law."

- END -

Committee Vote:
Yes 18, No 1
Fiscal Note Required X

HB0306001SC.hbb

2/20/15
1pm

HOUSE STANDING COMMITTEE REPORT

Mr. Speaker:

We, your committee on **Business and Labor** recommend that **House Bill 554** (first reading copy -- white) **do pass as amended**.

Signed: Tom Berry
Representative ~~Tom~~ Berry, Chair

And, that such amendments read:

1. Page 1, line 26.
Strike: "chapter"
Insert: "section"

2. Page 2.
Following: line 1
Insert: "(5) The requirements of subsections (1) and (2) do not apply to a direct selling association member."

3. Page 4, line 20.
Following: "~~(a)~~"
Insert: "(a)"

4. Page 4.
Following: line 25
Insert: "(b) Compensation does not include:
(i) payments to a participant based on the sale of goods or services by the participant to third persons when the goods or services are purchased for actual use or consumption; or
(ii) payments to a participant based on the sale of goods or services to the participant that are used or consumed by the participant."

5. Page 4, line 29.
Strike: ":"

Committee Vote:
Yes 19, No 0
Fiscal Note Required __

HB0554001SC.hbb

2/20/15 1pm

6. Page 4, line 30.
Strike: line 30
Insert: "used in making sales and that are not for resale; or"

7. Page 5, line 1.
Strike: line 1

- END -

HOUSE STANDING COMMITTEE REPORT

February 20, 2015

Mr. Speaker:

We, your committee on **Business and Labor** recommend that **House Bill 565** (first reading copy -- white) **do pass**.

Signed: Tom Berry
Representative Tom Berry, Chair

- END -

Committee Vote:
Yes 15, No 4
Fiscal Note Required __

HB0565001SC.hbb

2/20/15
1pm

HOUSE STANDING COMMITTEE REPORT

February 20, 2015

Mr. Speaker:

We, your committee on **Business and Labor** recommend that **House Bill 568** (first reading copy -- white) **do pass**.

Signed: Tom Berry
Representative Tom Berry, Chair

- END -

Committee Vote:
Yes 10, No 9
Fiscal Note Required __

HB0568001SC.hbb

2/20/15
1pm

HOUSE STANDING COMMITTEE REPORT

Mr. Speaker:

We, your committee on **Business and Labor** recommend that **House Bill 577** (first reading copy -- white) **do pass**.

Signed: _____
Representative Tom Berry, Chair

- END -

Committee Vote:
Yes 18, No 1
Fiscal Note Required X

HB0577001SC.hbb

2/20/15
1pm

COMMITTEE FILE COPY

BILL TABLED NOTICE

HOUSE BUSINESS AND LABOR COMMITTEE

The **HOUSE BUSINESS AND LABOR COMMITTEE** TABLED

HB 500 - Revise terms for treating physician designation in workers' compensation cases - Rep. Andrea Olsen
HB 531 - Prohibit certain underwriting factors for private passenger insurance - Rep. Tom Jacobson
HB 552 - Generally revise laws regarding licensure laws for pre-paid legal services - Rep. Seth Berglee

by motion, on **Friday, February 20, 2015** (PLEASE USE THIS ACTION DATE IN LAWS BILL STATUS).

(For the Committee)

(For the Chief Clerk of the House)

12:30 / 2/20/15
(Time) (Date)

February 20, 2015 (12:21pm) Karen Armstrong, Secretary Phone: 4650

The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

BUSINESS & LABOR COMMITTEE

ROLL CALL VOTE

BILL NUMBER 568 DATE February 20, 2015

MOTION do pass

NAME	AYE	NO	PROXY
REP. DANIEL SALOMON, VICE CHAIRMAN	✓		
REP. RYAN LYNCH, VICE CHAIRMAN	✓		✓
REP. CHRISTY CLARK		✓	
REP. WILLIS CURDY	✓		
REP. STEVE FITZPATRICK		✓	
REP. CHUCK HUNTER	✓		✓
REP. GEORGE KIPP III	✓		
REP. MIKE LANG		✓	
REP. DAVID (DOC) MOORE	✓		
REP. MARK NOLAND		✓	
REP. ANDREA OLSEN	✓		
REP. GORDON PIERSON	✓		
REP. CHRISTOPHER POPE	✓		
REP. VINCE RICCI		✓	
REP. TOM RICHMOND		✓	
REP. SCOTT STAFFANSON		✓	
REP. TOM STEENBERG	✓		
REP. JEFFREY WELBORN		✓	
REP. TOM BERRY, CHAIRMAN		✓	
	10	9	

19 MEMBERS

The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

BUSINESS & LABOR COMMITTEE

ROLL CALL VOTE

BILL NUMBER 552 DATE February 20, 2015

MOTION do pass

NAME	AYE	NO	PROXY
REP. DANIEL SALOMON, VICE CHAIRMAN	✓		
REP. RYAN LYNCH, VICE CHAIRMAN		✓	✓
REP. CHRISTY CLARK	✓		
REP. WILLIS CURDY		✓	
REP. STEVE FITZPATRICK		✓	
REP. CHUCK HUNTER		✓	✓
REP. GEORGE KIPP III		✓	
REP. MIKE LANG	✓		
REP. DAVID (DOC) MOORE	✓		
REP. MARK NOLAND	✓		
REP. ANDREA OLSEN		✓	
REP. GORDON PIERSON		✓	
REP. CHRISTOPHER POPE		✓	
REP. VINCE RICCI	✓		
REP. TOM RICHMOND	✓		
REP. SCOTT STAFFANSON	✓		
REP. TOM STEENBERG		✓	
REP. JEFFREY WELBORN		✓	
REP. TOM BERRY, CHAIRMAN	✓		

9 10 fails

19 MEMBERS

The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

BUSINESS & LABOR COMMITTEE

ROLL CALL VOTE

BILL NUMBER 531 DATE February 26, 2015

MOTION do pass

NAME	AYE	NO	PROXY
REP. DANIEL SALOMON, VICE CHAIRMAN		✓	
REP. RYAN LYNCH, VICE CHAIRMAN	✓		✓
REP. CHRISTY CLARK		✓	
REP. WILLIS CURDY	✓		
REP. STEVE FITZPATRICK		✓	
REP. CHUCK HUNTER	✓		✓
REP. GEORGE KIPP III	✓		
REP. MIKE LANG		✓	
REP. DAVID (DOC) MOORE		✓	
REP. MARK NOLAND		✓	
REP. ANDREA OLSEN	✓		
REP. GORDON PIERSON	✓		
REP. CHRISTOPHER POPE	✓		
REP. VINCE RICCI		✓	
REP. TOM RICHMOND		✓	
REP. SCOTT STAFFANSON		✓	
REP. TOM STEENBERG	✓		
REP. JEFFREY WELBORN		✓	
REP. TOM BERRY, CHAIRMAN		✓	
	8	11	

19 MEMBERS

The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

BUSINESS & LABOR COMMITTEE

ROLL CALL VOTE

BILL NUMBER 500 DATE February 20, 2015

MOTION do pass

NAME	AYE	NO	PROXY
REP. DANIEL SALOMON, VICE CHAIRMAN		✓	
REP. RYAN LYNCH, VICE CHAIRMAN	✓		✓
REP. CHRISTY CLARK		✓	
REP. WILLIS CURDY	✓		
REP. STEVE FITZPATRICK		✓	
REP. CHUCK HUNTER	✓		✓
REP. GEORGE KIPP III	✓		
REP. MIKE LANG		✓	
REP. DAVID (DOC) MOORE		✓	
REP. MARK NOLAND		✓	
REP. ANDREA OLSEN	✓		
REP. GORDON PIERSON	✓		
REP. CHRISTOPHER POPE	✓		
REP. VINCE RICCI		✓	
REP. TOM RICHMOND		✓	
REP. SCOTT STAFFANSON		✓	
REP. TOM STEENBERG	✓		
REP. JEFFREY WELBORN		✓	
REP. TOM BERRY, CHAIRMAN	✓		
	9	10	

19 MEMBERS

The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

AUTHORIZED COMMITTEE PROXY

I request to be excused from the B + L

Committee because of other commitments. I desire to leave my proxy vote with:

_____

Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

BILL/AMENDMENT	AYE	NO
HB 500	X	
HB 531	X	
HB 552		X
HB 565	X	
HB 568	X	
HB 554	X	
HB 577	X	
Amendment HB035401.apm	X	
HB 306	X	
Amend HB030601.apm	X	

BILL/AMENDMENT	AYE	NO

Lynch

Rep. _____ Date _____
(Signature)

Lynch

The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

AUTHORIZED COMMITTEE PROXY

I request to be excused from the Business and Labor

Committee because of other commitments. I desire to leave my proxy vote with:

_____

Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

BILL/AMENDMENT	AYE	NO
HB 500	X	
HB 531	X	
HB 552		X
HB 554	X	
HB 565	X	
HB 568	X	
HB 577	X	
Amendment HB055401.apm	X	
HB 306	X	
~~Amend HB030601.Apm~~	~~X~~	

BILL/AMENDMENT	AYE	NO

Rep. Chuck Hunter
(Signature)

Date _____

MONTANA House of Representatives
Visitors Register
HOUSE BUSINESS AND LABOR COMMITTEE

Friday, February 20, 2015
HB 500 - Revise terms for treating physician designation in workers' compensation cases
Sponsor: **Rep. Andrea Olsen**

PLEASE PRINT

Name	Representing	Support	Oppose	Info
Kevin Braun	MT State Fund		X	
Bill Wiederrich/Fox	MSTA		X	
Alan Hulse	MMIA		X	
Jacqueline Lenmark	AIA		X	
Keith Allen	IBEW 233	X		
Bruce Hoiland	Myself	X		
LJ Olson	MTLA	✓		
Brad Jones	MTLA	✓		
Pat Fox	Doubek, Pyfer & Fox			
Ben Gregg	PCI		X	
Glenn Oppel	GF/J Chamber		X	
Jim Lynch	Teamsters 45, MT St Building	X		
Michele Reinhart Levine	Fair Claim	X		
Chris Carter	Self	X		
Gary Strapp	Self	X		
Penny Harris	Self	X		
Judy Bovington	DLI			X

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

MONTANA House of Representatives
Visitors Register
HOUSE BUSINESS AND LABOR COMMITTEE

Friday, February 20, 2015
HB 531 - Prohibit certain underwriting factors for private passenger insurance
Sponsor: **Rep. Tom Jacobson**

PLEASE PRINT

Name	Representing	Support	Oppose	Info
Jacqueline Lenmark	AIA		X	
Greg Van Loessen Smith	State Farm		X	
Dwight Easton	Farmers Ins		X	
Ben Spence	PCI		X	
Ben Spence	Allstate		X	
Bob Biskupski	IIAM		X	
Tessa Lambrecht	SAM	X		

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

MONTANA House of Representatives
Visitors Register
HOUSE BUSINESS AND LABOR COMMITTEE

Friday, February 20, 2015
HB 552 - Generally revise laws regarding licensure laws for pre-paid legal services
Sponsor: **Rep. Seth Berglee**

PLEASE PRINT

Name	Representing	Support	Oppose	Info
Tessa Cyzlovich	SAO		+	
Jacqueline Lenmark	LegalZoom.com	X		

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

MONTANA House of Representatives
Visitors Register
HOUSE BUSINESS AND LABOR COMMITTEE

Friday, February 20, 2015
HB 554 - Revise securities multilevel marketing laws
Sponsor: **Rep. Gordon Pierson**

PLEASE PRINT

Name	Representing	Support	Oppose	Info
Brad Griffin	MT Retail Assoc	X w/Amendment		
Jesse Laslovich	SAO	X		

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

MONTANA House of Representatives
Visitors Register
HOUSE BUSINESS AND LABOR COMMITTEE

Friday, February 20, 2015
HB 565 - Revise laws regarding shared equity properties
Sponsor: **Rep. Nancy Wilson**

PLEASE PRINT

Name	Representing	Support	Oppose	Info

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

MONTANA House of Representatives
Visitors Register
HOUSE BUSINESS AND LABOR COMMITTEE

Friday, February 20, 2015
HB 568 - Provide for suicide prevention and training for primary care providers
Sponsor: **Rep. Ed Lieser**

PLEASE PRINT

Name	Representing	Support	Oppose	Info
Aidan Myhre	Kalispell Regional Healthcare	✓		
Matt Rinaldi	NAMI Montana	✓		

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

MONTANA House of Representatives
Visitors Register
HOUSE BUSINESS AND LABOR COMMITTEE

Friday, February 20, 2015
HB 577 - Revising what is an illegal gambling activity for horse and dog racing
Sponsor: **Rep. Kenneth Holmlund**

PLEASE PRINT

Name	Representing	Support	Oppose	Info
Tom Tucker	MT. Board of Horse Rac	X		X
Dave Teserite	Gambling Control Div.	X		X

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

MINUTES

MONTANA SENATE
64th LEGISLATURE - REGULAR SESSION

COMMITTEE ON BUSINESS, LABOR, AND ECONOMIC AFFAIRS

Call to Order: Chair Edward Buttrey, on March 25, 2015 at 8:00 AM, in Room 422 Capitol

ROLL CALL

Members Present:

Sen. Edward Buttrey, Chair (R)
Sen. Elsie Arntzen, Vice Chair (R)
Sen. Dee Brown (R)
Sen. Pat Connell (R)
Sen. Tom Facey (D)
Sen. Sharon Stewart-Peregoy (D) (arrived after roll call)
Sen. Gordon Vance (R)
Sen. Gene Vuckovich (D)
Sen. Lea Whitford (D)

Members Excused: Sen. Cary Smith (R)

Members Absent: None

Staff Present: Linda Keim, Committee Secretary
Jameson Walker, Legislative Branch

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted: HB 554, 3/20/2015

Committee Business:

00:01:01 Chairman Buttrey
00:01:12 Sen. Arntzen
00:01:13 Sen. Facey
00:01:30 Chairman Buttrey
00:01:48 Sen. Facey
00:02:11 Sen. Arntzen
00:02:21 Chairman Buttrey

HEARING ON HB 554

Opening Statement by Sponsor:

00:02:51 Rep. Gordon Pierson (D), HD 78, opened the hearing on HB 554. Revise securities multilevel marketing laws.

Proponents' Testimony:

00:04:45 Jesse Laslovich, Office of Commissioner of Securities and Insurance, Montana State Auditor (CSI)
00:08:38 Brad Griffin, Montana Retail Association (MRA)

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

00:11:12 Sen. Connell
00:14:47 Mr. Laslovich, CSI
00:15:03 Chairman Buttrey
00:15:14 Sen. Brown
00:15:20 Mr. Laslovich
00:15:50 Sen. Facey
00:16:18 Mr. Laslovich
00:17:12 Sen. Arntzen
00:19:11 Mr. Laslovich
00:20:13 Sen. Facey
00:20:40 Mr. Griffin, MRA
00:21:11 Chairman Buttrey
00:21:20 Mr. Laslovich

Closing by Sponsor:

00:22:12 Rep. Pierson

00:22:37 Sen. Connell
00:23:11 Sen. Arntzen
00:23:15 Chairman Buttrey

ADJOURNMENT

Adjournment: 8:24 AM

_____
Linda Keim, Secretary

lk

Additional Documents:

EXHIBIT(bus62aad.pdf)

Montana State Legislature

2015 SESSION

ADDITIONAL DOCUMENTS
May include the following:

Business Page
[Signed by Chairman]
Roll Call
Standing Committee Reports
Tabled Bills
Fiscal Reports
Rolls Call Votes
Proxy Forms
Visitor Registrations

***Any other documents, which were submitted after the committee hearing has ended and/or was submitted late [within 48 hours], regarding information in the committee hearing.**

***Witness Statements that were not presented as exhibits.**

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2015 Legislative
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BUSINESS REPORT

MONTANA SENATE
64th LEGISLATURE - REGULAR SESSION

SENATE BUSINESS, LABOR, AND ECONOMIC AFFAIRS COMMITTEE

Date: Wednesday, March 25, 2015
Place: Capitol

Time: 8:00 AM
Room: 422

BILLS and RESOLUTIONS HEARD:

HB 554 - Revise securities multilevel marketing laws - Rep. Gordon Pierson

EXECUTIVE ACTION TAKEN:

Comments:

SEN. Edward Buttrey, Chair

MONTANA STATE SENATE
Roll Call
BUSINESS, LABOR & ECONOMIC AFFAIRS COMMITTEE

DATE: 3-25-2015

NAME	PRESENT	ABSENT/ EXCUSED
SENATOR ED BUTTREY, CHAIRMAN	✓	
SENATOR ELSIE ARNTZEN, VICE CHAIR	✓	
SENATOR SHARON STEWART-PEREGOY		✓
SENATOR DEE BROWN	✓	
SENATOR PAT CONNELL	✓	
SENATOR TOM FACEY	✓	
SENATOR CARY SMITH		✓
SENATOR GORDON VANCE	✓	
SENATOR GENE VUCKOVICH	✓	
SENATOR LEA WHITFORD	✓	

MONTANA STATE SENATE
Visitors Register
SENATE BUSINESS, LABOR, AND ECONOMIC AFFAIRS COMMITTEE

Wednesday, March 25, 2015
HB 554 - Revise securities multilevel marketing laws
Sponsor: **Rep. Gordon Pierson**

PLEASE PRINT

Name	Representing	Support	Oppose	Info
Jesse Laklovich	SAO	X		

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.